

California Public Utilities Commission

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News Release

FOR IMMEDIATE RELEASE

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PUC WINS \$7 MILLION JUDGMENT AGAINST TELECOMMUNICATIONS CARRIER FOR SLAMMING

SAN FRANCISCO, Jan. 28, 2005 – The California Public Utilities Commission (PUC) today announced that it was awarded by the San Francisco Superior Court a \$7 million judgment against Vista Telecommunications.

The PUC has been pursuing Vista since 1999, in response to more than 130 consumer complaints against Vista for switching people to Vista's phone services against their will, a practice known in the industry as slamming. An investigation into Vista's practices by the PUC revealed that Vista had slammed thousands of California consumers, and in fact also had federal investigations against it for slamming consumers in other states.

PUC enforcement staff personally interviewed almost every consumer who filed a complaint against Vista with the PUC. The PUC then held hearings over 12 days to further investigate the allegations against Vista. The PUC concluded the hearings by fining Vista \$7 million for its illegal business practices and ordering Vista to refund \$20 per business line to each California consumer slammed by Vista.

Vista refused to pay the refunds or the fines, and filed for review of the PUC's order in the California Court of Appeals, which summarily rejected Vista's arguments. Because Vista continued to refuse to pay the fines, the PUC sought a Superior Court judgment ordering Vista to pay the fines, which was granted to the PUC today.

Vista, now defunct, was a family-owned and operated business. Consequently, the PUC will now focus on collecting the \$7 million, which would go to the state's General Fund, from Vista's owner/officers, who directed Vista's illegal practices and who have assets in California.

For more information on the PUC, please visit www.cpuc.ca.gov.

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